

SENATE BILL REPORT

SB 6826

As Passed Senate, February 13, 2006

Title: An act relating to public utility taxes imposed on fees and charges for public transit services.

Brief Description: Exempting fees and charges for public transportation services from public utility taxes.

Sponsors: Senator Benton.

Brief History:

Committee Activity: Transportation: 2/02/06 [DP-WM].

Ways & Means: 2/7/06 [DP].

Passed Senate: 2/13/06, 46-0.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Poulsen, Vice Chair; Benson, Ranking Minority Member; Benton, Berkey, Eide, Esser, Finkbeiner, Kastama, Mulliken, Oke, Sheldon, Spanel and Weinstein.

Staff: David Ward (786-7341)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Dean Carlson (786-7305)

Background: Public and private entities who transport people or goods for hire are subject to the public utility tax. The measure of the tax is the gross receipts of the business for providing transportation for hire. Under current state law, certain deductions are provided to public transit services when calculating gross receipts upon which state public utility taxes are levied.

Summary of Bill: This bill allows fare-box revenue collected by county, city, and public transportation that benefit district transit agencies to also be deducted from the gross receipts upon which state public utility taxes are levied.

Appropriation: None.

Fiscal Note: Requested on February 2, 2006.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Transportation): Currently, only King County receives such an offset. This bill will provide for consistent treatment of all public transit systems and provide relief from an array of baffling reporting requirements that cost more to provide than the estimated, annual revenue of \$166,000 received by the General Fund.

Testimony Against: (Transportation) None.

Who Testified (Transportation): PRO: Sharon Wylie, C-TRAN; Peter Thein, Washington State Transit Association.

Testimony For (Ways & Means): This takes a lot of time and energy to report the little money that is generated. King County is already exempt from the tax.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): PRO: Sharon Wylie, C-Tran; Peter Thein Washington State Transit Association.

House Amendment(s): The tax deduction is extended to include Sound Transit. The Transit agencies must use an amount equal to the tax saving for increased service to low income and senior citizens.